



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

- **Better articulation among levels of education and between education and work**

Middle school students who receive career interventions before entering high school are better able to make effective educational decisions in course specificity, sequencing, and appropriateness for postsecondary education (Peterson, Long, and Billups, 1999).

Studies show that career planning interventions by school counselors have a positive effect on students' career development/career plans and that services are effective for a wide range of students, including children with learning disabilities and minorities (Whiston and Sexton, 1998a, in American Counseling Association, 2003).

Career services delivered by "active, caring, and tangibly helpful" guidance counselors are instrumental for students to make adaptive transitions between school and work (Blustein et al., 1997).

- **Shorter time to graduation**

Folsom, Peterson, Reardon, and Mann (2002) report that students who take a college career course execute fewer course withdrawals and take fewer courses in order to graduate. A relatively small investment of time may yield substantial time savings. Females who took the career course graduated in an average of 50 months, compared to 61 months for non-participants.

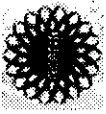
Career academy graduates were less likely to need remedial coursework and more likely to receive their bachelor's degrees than other graduates of the same school district (Maxwell, 1999).

- **Higher Graduation and Retention Rates**

The U.S. Department of Education (1997) reported that Zapata (Texas) High School's exemplary comprehensive and developmental career guidance and counseling program led to a .9 percent dropout rate and a 93.6 percent attendance rate, despite widespread economic disadvantage. This program also reported increased career awareness related to academic content.

Hughes et al. (2001) found that "well-implemented" career academies led to improved attendance and graduation rates, as well as higher GPAs, and may also improve postsecondary efficiency and success.

Wood (2003) reports that indirect effects of career interventions include reduced drop-out rates and increased student retention in college.



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

Nationally known for his work on improving the college freshman experience and raising student retention rates, John Gardner (1998) offers this advice about career development programming for college freshmen:

Career development programming facilitates more appropriate goal setting, academic decision making, and course selection which heighten commitment, which heightens the probability of retention. I believe you should examine ways to involve more of your freshmen in the services offered by your University Career Center in the first semester rather than waiting until a number of semesters later.

Career development strategies also serve as dropout prevention strategies (Herring, 1998).

***Informed and considered career decisions* are linked to improved educational achievement, attainment, and efficiency. Students who make informed and considered career decisions are more likely to graduate from high school and to succeed in postsecondary education.**

Findings: The Social Value of *Informed and Considered Career Decisions*

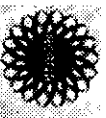
- Benefits to family, peers, and community

Mortenson (2001) cites a litany of social benefits that derive from higher levels of education:

...better access to health care, less dependency on government assistance, lower poverty, longer lifespans, better dietary and health practices, healthier children, greater use of seat belts, more continuing education, greater Internet access, greater attendance at live performances, greater participation in leisure and artistic activities, more book purchases, better academic performance of children, higher voting rates, greater knowledge of government, greater community service, more volunteer work, greater tolerance of unconventional literature, greater community leadership, and less criminal activity and incarceration.

The Organization for Economic Cooperation and Development (2002) calculates the overall rate of return on investments in education, comparing total costs to total benefits. Investments in the U.S. in upper secondary and postsecondary education each result in rates of return between 10 and 14 percent for both men and women. Clearly, there is a powerful economic argument for ensuring that all young people make *informed and considered career decisions*.

Informed and Considered Career Decisions may have a more profound effect on people who confront extraordinary challenges to their career development. For people with disabilities, improving the outcomes of transition from school to adult roles is dependent upon a process that is remarkably similar to the career development process described on



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

P. 2. Halpern (1996) describes the essential process for successful transition for students with disabilities:

...transition planning should contain the following steps as part of a decision-making process. Adolescent planners should be able to:

- engage in self-exploration and self-evaluation;
- identify and select personally meaningful transition goals;
- generate a range of possible alternative solutions to meet that goal;
- identify and select appropriate activities for pursuing their goals;
- monitor their progress and make adjustments in their plans, when appropriate.

- **Higher levels of worker satisfaction and career retention**

In the National Career Development Association's (Hoyt and Lester, 1995) survey of adult workers, more than five times as many people indicated that they entered the workforce by chance than by a choice influenced by a career development professional. Although many people make the best of their work situations, chance only rarely leads to "fit."

In two years of providing career assistance advisors, the U.S. Air Force has improved retention among first-term, second-term, and career members (Norman, 2003).

So far in 2001, Air Force Materiel Command retention numbers show 49 percent of its first-term members, 63 percent of second term members and 91 percent of career members are accepting the challenge to stay with the Air Force. That's a 3-percentage point per category average increase.

Physicians are among the higher paid and more prestigious occupations; however the *Journal of the American Medical Association* (Landon, 2003) reported that 18 percent of physicians report being somewhat or very dissatisfied with their careers. The cost of preparing to become a physician is enormous for both the individual and the public. To protect such an investment (and similar investments in many other occupations), it would be prudent to ascertain career fit before investing substantial time, energy, and resources.

Career consultant Nicholas Lore reports that few American workers have "elegantly fitting careers." His consultation approach aims to improve the fit between the individual and the job (one of the outcomes associated with *informed and considered career decisions*). When fit is optimal, workers find numerous indicators of increased job



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

satisfaction, including experiencing work as “a natural expression of one’s talents and personality” and “feeling energized at the end of the work day” (Rockport Institute, 2003).

- Shorter path to primary labor market for young workers

Hughes et al. (2001) identify several studies that demonstrate that career interventions enable students to define their career interests and goals for the future.

In a monograph titled “Social Benefits of Career Guidance,” Killeen, Watts, and Kidd (1999) state that career guidance can prevent “false moves into forms of education and training that are unrelated to vocational interests and objectives and which make unanticipated demands, such that educational failure occurs....”

- Lower incidence of work-related stress and depression

Stewart et al. (2003) report in the *Journal of the American Medical Association* that workers with depression cost employers an estimated \$44 billion yearly in lost productive time. Reducing the ranks of the depressed by one percent would save employers 440 million dollars annually, and this savings would be accompanied by corresponding savings to the families of the affected employees.

Herr (1998) describes the range of problems that devolve from job stress and unemployment:

Job Stress and the loss of work, particularly involuntary unemployment, has been found to manifest itself in physiological, psychological, emotional, and behavioral problems, and the effects of these are not confined to the person who lost his or her job but ripple through families, spouses, children, friends, and others.

Bynner and Eggerton (2000) report that postsecondary graduates are at less risk of depression than non-graduates.

In addition to reducing stress and work-related health problems, matching workers with well fitting employment leads to greater productivity and, for both employer and employee, substantial intangible and material benefits.



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

- Reduced likelihood of work-related violence

According to Workplace Violence Headquarters, there are over eight million instances of violence in the U.S. workplace annually, including over one-half million aggravated assaults, rapes, and murders.

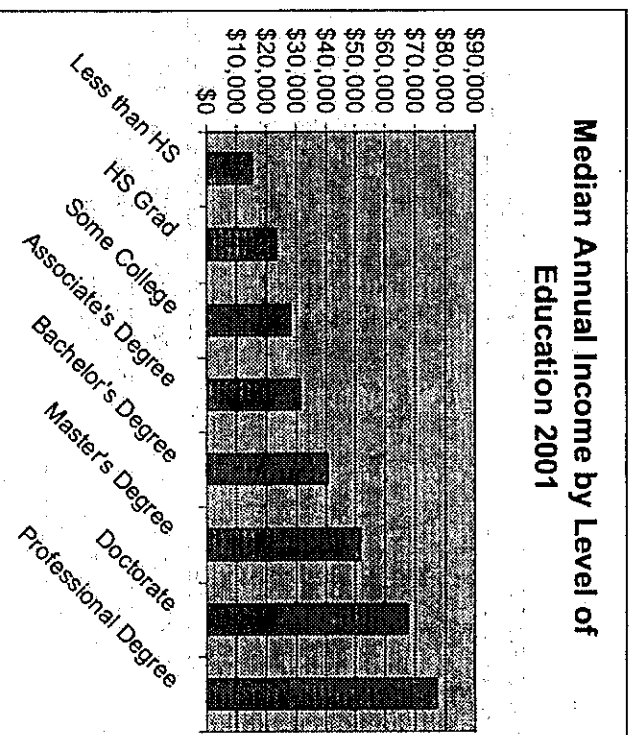
Recently, Pennington (2003) in *Counseling Today* reported that career experts cited career frustration and depression as precursors of work-place violence.

Citing benefits associated with higher education, Bynner and Eggerton (2000) reported that graduates are less likely to be victims of assaults.

Informed and considered career decisions reduce the likelihood of occupational mismatch and unemployment, increase the likelihood of career satisfaction, and result in lower incidences of work-related stress and depression.

Findings: The Economic Value of *Informed and Considered Career Decisions*

- Higher incomes and tax revenues



In 2001, the median income for a bachelor's degree was more than \$17,000 per year greater than the median income for a high school graduate (Mortenson, 2003). Multiplied over a work life of 30 years or more, the additional taxable income is substantial, and it is taxed at a higher rate.

High school students who formulate career plans expect to complete higher levels of education than those who don't (Indiana Career and Postsecondary Advancement Center, 2002). Those with higher expectations tend to participate in postsecondary

education at higher levels (Hosler, Schmit, and Vesper, 1999). Career plans are required in 47 percent of public high schools in the U.S. (Parsad, Alexander, and Farris, 2002).



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

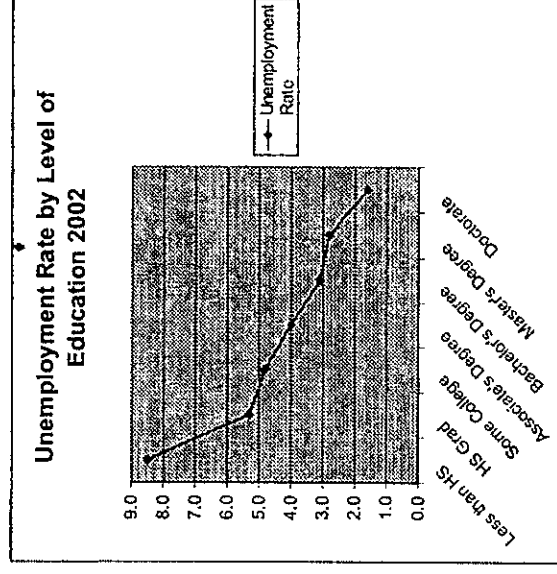
Mayston (2002) assesses benefits of career guidance in the United Kingdom. Among the macroeconomic benefits, he cites reductions in occupational mismatch, which increase aggregate demand and gross domestic product.

Career plans often are the product of a process of career exploration and decision-making. Students who engage in this career development process learn very quickly that the most desirable occupations require education and training beyond high school and that post-high-school education and training requires significant preparation while in secondary school. High school courses in career decision-making afford career planning opportunities in a larger context of career exploration, assessment, reflection, and action. Parsad, Alexander, and Farris (2002) report that the percentage of high schools that offer such courses declined from 69 percent in 1984 to 57 percent in 2002. In Ohio, more than 90 percent of eighth-grade students complete an individual career plan and about 75 percent of high school students complete individual career plans (Gahrts, 2003).

Higher levels of education clearly benefit individuals, but benefits also accrue to families, cities, and society. Mortenson (2001) writes, "By nearly every measure of human welfare, people with more education live better lives than do people with less education." A recent JAMA study reported that income increases reduce behavioral problems in children. Among poor families who received cash payments (shared casino profits), conduct and oppositional defiant disorders occurred at similar levels to families that were never poor (Costello, et al., 2003).

- Lower unemployment rates and shorter periods of unemployment

People who make *informed and considered career decisions* complete higher levels of education. A correlate of educational attainment is lower rates of unemployment. The chart below indicates that higher levels of education result in significantly less unemployment (Mortenson, 2003).



Veum and Weiss (1993) reported that (for workers ages 18-27) the duration and frequency of unemployment is a direct function of the level of education - the higher the level of education, the fewer bouts of unemployment and the shorter the duration of unemployment. Allotments for unemployment compensation and benefits for housing assistance, food, and re-employment increase as a function of unemployment.

Mayston (2002) states that career guidance plays a valuable role by providing information about the suitability and availability of career



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions* opportunities. Derivative of this increase in human capital are reductions in unemployment and in employment security costs to employers.

Entrants to the labor market face many challenges (high skill requirements, scarcity of jobs, preference for experienced workers, competition from unemployed workers, etc.). A career plan may be the best strategy for successfully engaging young people with work that has the greatest likelihood of success, satisfaction, and (within the limits of a volatile employment context) stability. Such a plan derives its effectiveness from a thorough examination of career information⁶, including consideration of experience and preparation requirements and reflection upon the many internal and external factors that mediate appropriateness or fit.

As American women outdistance men in educational attainment, their rates of unemployment are less than that of their male counterparts. According to the Organization for Economic Cooperation and Development (2002a), American women, ages 25 - 64, had lower rates of unemployment than American men.

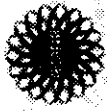
Killeen, Kidd, and Watts (1999) state that career guidance can "reduce the disaffection, alienation, and despair of long-term unemployment...and can increase self esteem, sense of purpose, involvement in meaningful activity, and social incorporation...."

A consistent finding across many studies over many years is that career interventions are more effective when a career professional is involved (Oliver & Spokane, 1988; Whiston, Sexton, & Lasoff, 1998; Brown & Ryan Krane 2000; Whiston, Brecheisen & Stephens, 2003). Career information becomes much more powerful in the context of career counseling and career education. In many public organizations that provide services to enable employment and re-employment, the long-term trend has been toward fewer counseling services and greater reliance on computerized "customer self service systems." Such systems, in the hands of an effective career self manager or under the direction of a career professional, provide valuable information and services. Nevertheless, moving most individuals from the status of unemployment to employment will require additional investment in career counseling professionals. Technology may enable the creation of learning modules and computer-delivered support services that limit the need for one-on-one services to those facing the most severe employment challenges.

- Lower costs of worker turnover

Informed and considered career decisions result in better person-work fit, increased job satisfaction, and diminished chances of occupational mismatch. Having learned about,

⁶ In this context, career information includes a broad range of occupational information, information about education and training options, financial aid information, information about industries and employers, and information about the career development process.



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

prepared for, and experienced an occupation prior to committing to it, the employee who has skills to make *informed and considered career decisions* will bring to the workplace much knowledge that informs, guides, and helps the employee to anticipate work requirements, expectations, and the culture of the particular work environment.

Younger employees change jobs and employers with great frequency. Most workers have had between six and eight jobs by age 27 (Veum & Weiss, 1993). The cost of training and orienting employees, the lost productivity of vacant or poorly served positions, and the many costs attendant to an individual's loss of employment create a strong motivating force for reducing employee turnover.

- Lower health care costs

A satisfying career in which one finds achievement, enjoyment, and meaning contrasts sharply with the occupational mismatch that leads to job stress, frustration, and, sometimes, job loss or even violence. As mentioned earlier, Herr (1998) lists the many health consequences of job stress or job loss: physiological, psychological, emotional, and behavioral problems (problems that extend beyond the worker to families, friends, and communities).

Although it is impossible for every worker to be blissfully employed, many workers spend numerous years working before finding their niche. Making it possible for more individuals to make *informed and considered career decisions* could shorten the time (and the attendant health consequences) of occupational mismatch.

By increasing the proportion of employees well-matched to their work, employers would save on health care costs, and families would realize both tangible and intangible benefits. If less money were required for 'vocationogenic' illness, more money would be available for the unavoidable health issues faced by workers and their families.

- Lower incarceration and criminal justice costs

Reduced unemployment and job stress coupled with increased achievement and self esteem would lead to fewer property crimes and would reduce the incidence of workplace violence. A one-percent reduction in crime would reduce the prison population and would save over one and one-half *billion* dollars per year (Bureau of Justice Statistics, not dated) for direct costs of criminal justice, not including the savings from reduced social work, police, and social welfare costs.



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

- **Increased worker productivity**

People who make *informed and considered career decisions* make committed and engaged workers. People who make *informed and considered career decisions* have greater ownership of their work roles, persist in the face of adversity, take initiative, and invest in their ongoing professional development. They are better collaborators, more likely to get along with their co-workers and supervisors, and more likely to add value to whatever enterprise in which they engage. All of these qualities add up to increased productivity.

Lore's (Rockport Institute, 2003) rhetorical question about career satisfaction puts heart into the matter:

There is a close relationship between career satisfaction and material success. People who enjoy their work put their heart and soul into their careers. How much do you accomplish when you are completely immersed in a task that you are really enjoying? Compare this with your productivity when you are forced to do something you don't want to do.

***Informed and considered career decisions* lead to higher incomes, fewer bouts and shorter durations of unemployment, better matches of person and work resulting in less turnover, better health for the employee and the employee's family, and fewer instances of work-related stress, depression, and violence, which lead to savings in training, social welfare, criminal justice, and health-care costs.**

An Imagined Future

To conclude, let's briefly imagine a world in which *informed and considered career decisions* are the norm:

- More efficient use of education and training resources
- Increased student engagement
- Higher productivity
- Greater job satisfaction
- Less frequent and shorter durations of unemployment
- Higher levels of education and training
- Better fit between individuals and their work
- Less work-related stress, depression, and violence
- Significant savings of public and private resources

Cost savings would accrue in unemployment compensation, employee health care, social welfare programs, education and re-education, corrections, and community mental



The Educational, Social, and Economic Value of *Informed and Considered Career Decisions*

health. Through more stable career patterns, workers would have more income to invest in their retirement programs, charities, and their children's futures. Communities would have more resources to invest by having to pay for fewer inmates, judges, attorneys, and correctional officers. Children would experience fewer divorces; there would be fewer children growing up in poverty. Workplaces would be characterized by workers who require less direction and correction, who relate to their work personally as well as professionally.

Directions: Investing in *Informed and Considered Career Decisions*

Investing in career information and services at a level that ensures universal competency in making *informed and considered career decisions* might be *the* national investment strategy to enable full participation in the Twenty-first Century workplace.

Such investment would ensure that all *students*

- Participate in education with a sense of its importance and relevance to future well-being,
- Formulate a flexible education and career plan prior to commencing high school,
- Have access to high quality career information and receive career guidance services in the context of a comprehensive school guidance program,
- Participate in a career development program that encourages students to engage in academic rigor and postsecondary education and training, and
- Learn the skills associated with career self-management that can be applied to career transition throughout one's life.

Such investment would ensure that all *workers*

- Have the skills to cope with changing employers, occupations, and skill demands,
- Have confidence in their ability to advance and develop their careers,
- Understand the importance of fit between an individual and the person's work and work environment, and
- Have access to high quality career information and the services of career professionals who can assist with transitions.

* * * * *